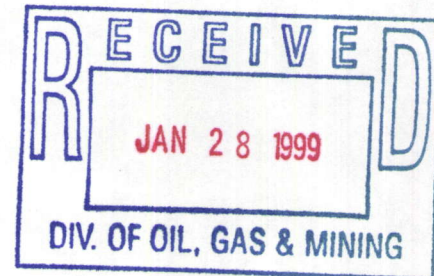


**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING**

355 West North Temple
3 Triad center, Suite 350
Salt Lake City, Utah 84180-1203
Telephone: (801) 538-5340
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) **1/98** To (mo./yr.) **12/98**
2. DOGM File Number (Mine No.): **M/035/011**
3. Mine Name: **4th Line/Copperton Concentrator**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals.**
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description, (Location of Lands Affected):

Section 31T1S, R2W;
Sections 6, 7, 8, 16, 17, 21, 28, 29 & 32.....T2S, R2W;
Sections 5, 6, 7 & 18T3S, R2W;

Salt Lake Base and Meridian, Salt Lake County, Utah

7. Name of Operator or Company: **Kennecott Utah Copper Corporation**
8. Permanent Street Address:
City, State, Zip: P. O. Box 6001
8315 W. 3595 South
Magna, UT 84044
Phone: (801) 252-3257

9. Company Representative (or designated operator):

Name:	Paula Doughty
Title:	Manager, Environmental Compliance
Business Address:	P. O. Box 6001
City, State, Zip:	Magna, UT 84044
Phone:	(801) 252-3257

___ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ___

2. If active, how much ore or mineral was mined?

58.1 million short tons were mined.

3. How much additional acreage was disturbed during the past year?

No new acreage was disturbed during the past year.

4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

No new acreage was disturbed during the past year.

5. How much acreage was reclaimed during the past year?

No new acreage was reclaimed during the past year.

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

No new acreage was reclaimed during the past year.

7. What is the total disturbed acreage at years end?

Based upon the results of an aerial photographic survey flown on August 5, 1998, the total disturbed acreage within the permit boundaries is 341 acres. This area is much smaller than reported last year because it does not include the tailings impoundment area which has been included in the acreage estimate for Permit number M/035/002.

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

The 1999 Reclamation Activities Plan will be submitted to the Division by February 28, 1999.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

No new maps are attached because there have been no significant changes since the previous maps were submitted last year.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

The 1999 Reclamation Activities Plan will be submitted to the Division by February 28, 1999.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Paula Doughty

Title of Operator: Manager, Environmental Compliance

Signature of Operator: Paula Doughty

Date: 1/26/99

m/035/011

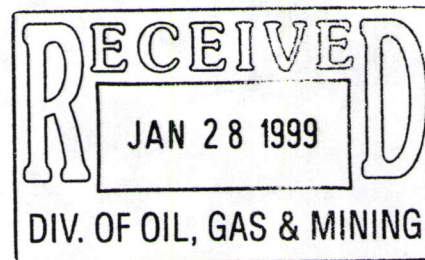
Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
Tel: (801) 252-3257
Fax: (801) 252-3125

Paula H. Doughty
Manager, Environmental Compliance

Kennecott

January 27, 1999

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801



Subject: Annual Reports for 1998, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed Kennecott Utah Copper Corporation (KUCC) annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

Color aerial photographs of the entire Oquirrh Mountain Range were taken at a nominal scale of 1:24,000 on August 5, 1998. These photographs were used in conjunction with a 1:24,000 scale base map to make revised estimates of disturbed areas within each permit boundary. Also, in this year's reports, all disturbed and reclaimed acreage on the existing tailings impoundment is reported under permit number M/035/002.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC in the Oquirrh Mountains outside of the DOGM jurisdictional boundaries:

Refinery area - approximately 16 acres were fertilized or treated with biosolids and seeded.

In 1998 KUCC spent more than \$300,000 on reclamation activities within the boundaries of permit #M/035/002. These costs included purchases of seed, fertilizer, mycorrhizae and trees, seedbed preparation, application and planting. Excluded from these costs are such activities as

contaminated soil removals, major recontouring efforts and soil emplacement which were paid for by the individual construction and remediation projects. After correcting for inflation, this equates to more than \$120,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Rich Borden at 569-6208.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula Doughty". The signature is fluid and cursive, with the first name "Paula" written in a larger, more prominent script than the last name "Doughty".

Paula Doughty
Manager, Environmental Compliance

Enclosures